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Discussion Group Topic No. 1

WHAT KIND OF FOREIGN TRADE POLICIES
DO AMERICAN FARMERS WANT?

This material has been prepared to supply assistance for discussion groups. It is not intended to direct attention to any particular point of view. Neither is it presumed to be a complete or even an orderly presentation of the discussion possibilities of the topic. Its purpose is to stimulate discussion. It is intended to assist in creating opportunities for discussion in the belief that through intense discussion people may find ways of thinking through for themselves vital questions which require democratic decision.

The attention of discussion leaders and others is called particularly to the availability of "Discussion: A Brief Guide to Methods." This contains practical suggestions and information.

Copies of "Discussion: A Brief Guide to Methods," and copies of this and other group discussion topics can be obtained from the Department of Agriculture, Room 202, Washington, D. C., or by writing to the state agricultural college of your state.

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Topic: WHAT KIND OF FOREIGN TRADE POLICIES
DO AMERICAN FARMERS WANT?

American farmers have a heavy stake in foreign trade. Hundreds of millions of dollars worth of American farm products are exported each year. Hundreds of millions of dollars of foreign produced farm products are imported each year. The estimated value of American farm products exported in 1933 was less than one-fifth of their estimated value in 1919, and less than one-half of their estimated value in 1929. In terms of the volume of exports the decline was smaller but substantial, especially in the case of wheat, lard, and cotton.

1. WHICH IS MOST IMPORTANT TO AMERICAN FARMERS -- THE NATION'S IMPORTS OR EXPORTS?
2. WHAT WILL BE THE EFFECT ON AGRICULTURE IN THIS COUNTRY IF EXPORTS CONTINUE TO DECREASE?
3. WHY HAVE EXPORTS OF AMERICAN FARM PRODUCTS FALLEN OFF IN RECENT YEARS?
4. WHAT WOULD HAPPEN TO AGRICULTURE IN THIS COUNTRY IF EXPORTS SHARPLY INCREASED?
5. DO WE WANT MORE IMPORTS; IF SO, OF WHAT?
6. WHAT WOULD BE A PRACTICAL FOREIGN TRADE PROGRAM?

SOME PROS AND CONS

I.

"The United States must live at home. It must produce everything it needs, buy as little as possible from abroad. Foreign trade means entangling alliances, may even mean war.

"Farmers must see that imports - industrial as well as agricultural - are restricted. A dollar spent for foreign goods, goes abroad; a dollar spent for American goods, stays in America. Competition with foreign producers in the home market, whether in agricultural or industrial products, is bound to rob the American farmer and workingman of part of his legitimate market. It is unfair competition, because many other countries have lower living standards, lower wages, cheaper land."

II.

"The United States is part of the world, tied to other nations by the bonds of friendship, of humanity, as well as trade. We can only achieve maximum prosperity by removing trade barriers, at home and abroad. Those things we produce most efficiently, we ought to sell abroad as well as at home; those things other nations produce most efficiently, we shall want to buy from them.

"American farmers must see to it that exports are expanded. Few foreign producers can compete successfully with the American farmer. Let the imports come in, therefore, for only by accepting imports can a creditor nation, such as we are, enable foreign countries to pay for our exports. We can't sell abroad unless we buy abroad.

"America's higher standard of living has not come because of our high tariff policy, but in spite of it; it has come because of superior natural resources, an aggressive, ingenious, hard-working people, superior technical development, and the existence within the United States of an enormous free-trade area."

III.

"The old-time internationalism is dead. Free trade is impossible. But so is complete self-containment. The only way out is through treaties with individual nations, to build up an interchange of goods with those nations on a basis of mutual advantage.

"Complete free trade would be fine if it could be achieved without destroying industries and agricultural enterprises built up under protection, but it cannot be so achieved. Let's be realistic, and therefore selective in what we buy and sell abroad. Most of our imports ought to be products which do not compete with American products. Treaties with our foreign neighbors, carefully developed to protect American interests, will in time yield the maximum of foreign trade consistent with the national interest."

IV.

"Our foreign trade will continue to decline, and nothing can be done about it. Our farmers can't compete with the cheap lands of South America, Russia, Australia. Europe, striving for self-sufficiency for purposes of defense, won't let us export there. Perhaps no country, including the United States, will attain complete self-sufficiency; certainly it is economically unsound to try for it; but that is the world trend, and it must run its course. The only thing we can do is keep our export acres idle, or in grass or trees, and make what other internal adjustments we must."

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